TAN HAP & ANOR.

v.

LIANG ANN HOCK

HIGH COURT MALAYA, KUALA LUMPUR
SITI NORMA YAAKOB J
[ORIGINATING MOTION NO. D3-32-14-87]
24 DECEMBER 1988

TRADEMARKS: *Section 16, Trade Descriptions Act 1972 - Requirement of Ex-parte application under s. 16 - Infringement of trade mark - Section 38 of the Trade Marks Act 1976 - Comparision test - Setting aside ex parte order made.*

Applicants are the proprietors of registered trade mark "Double Lion" used in the applicants product of flavouring concentrates for beverages. Upon knowing that bottles of flavouring for beverages not manufactured by them bearing the "Dragon City" trade mark on an identical label design in the same colour get-up were sold and passed off as a product of the applicants, the applicants obtained a trade description order under s. 16 of the Trade Descriptions Act 1972. Raids were conducted subsequent to the order and all bottles of flavouring concentrates of the respondents were confiscated.

The respondent denied having infringed the applicants' trade mark and challenge the validity of the order applied to be a party to the proceedings and seek by way of notice of motion to set aside the aforesaid trade description order.

Held:

[1] In an *ex parte* application under s. 16(1) of the Trade Descriptions Act 1972, the applicant need to show that: 1st, they are the proprietors of a registered mark and 2nd some other person is infringing their registered trade mark in the course of trade.

The applicants in this case satisfied the 1st condition.

[2] In view of s. 38(1) of the Trade Marks Act 1976 it is a question of fact in light of evidence adduced whether there is in truth a likelihood of deception and confusion. The applicants' trade mark of 2 lions are in no way identical to the respondent's 2 dragons. Moreover the applicants' trade mark bears the words "Double Lion" whilst the respondent's trade mark the "Dragon City" do not sound similar to each other.

[3] There is a clear division of brand and there were additional facts to show that the products of both parties have been sold on the market alongside each other since 1982. All these facts disprove allegation of infringement of trade mark or that customers of the two products have been in any way confused, mistaken or deceived.

(The comparison test and the three rules to be adhered to, applied)

[Trade Description Order Set aside. Enquiry to be held as to the loss suffered by the enforcement of the order shall be paid by the applicants.]

Cases referred to:

Socoil Corporation Bhd. v. Ng Foo Chong & Anor. [1981] 2 MLJ 7
Re Bailey's Application [1935] 52 RPC 136
Broadhead's Application [1950] 67 RPC 113
Saville Perfumery v. June Perfect [1941] 58 RPC 149
In re Application by Pianotist Company Ltd. [1906] 23 RPC 774
Kidax's Case [1959] RPC 295

Legislation referred to:
Trade Descriptions Act 1972, s. 16
Trade Marks Act 1976, s. 38(1)

For the respondent - Lee Tatt Boon (Miss A. Sreenevasan with him); M/s. Skrine & Co.
For the applicants - Roy Rajasingham (Michael Lim with him); M/s. Shook Lin & Bok

JUDGMENT

Siti Norma Yaakob J:

The applicants in this originating motion are the proprietors of a registered trade mark consisting of the words "Double Lion" and the design of two lions standing facing each other with a tower of flames separating them, all coloured in gold and outlined in black. The trade mark was registered on 24 June 1978 and was renewed on 24 June 1985 for another 14 years. The trade mark is used in the applicants' product of flavouring concentrates for beverages.

It has since come to the knowledge of the applicants that bottles of flavouring for beverages not manufactured by them bearing the "Dragon City" trade mark on an identical label design in the same colour get-up were being sold and passed off as a product of the applicants and in order to protect their trade mark and product, the applicants obtained a trade description order, *ex parte*, on 11 May 1987 under s. 16 of the Trade Descriptions Act 1972 (the Act).

Following the order, raids were conducted by the Enforcement Officers of the Ministry of Trade & Industry and that all bottles of flavouring concentrates bearing the respondent's "Dragon City" trade mark were taken away as the respondent had infringed the applicants' registered trade mark bearing the words "Dragon Lion" and the design of 2 lions.

Denying that its trade mark had infringed the applicants' trade mark, the respondent applied and was added a party to these proceedings on 11 November 1987 and the instant proceedings before me was a motion on the part of the respondent to have the trade description order dated 11 May 1987 set aside with costs and an enquiry as to all loss suffered following the enforcement of the order and to be paid by the applicants.

As the respondent had challenged the legal basis of the order, I shall now consider whether all requirements of the law have been met with when the order was first applied for by the applicants.

The *ex parte* order was obtained under s. 16(1) (a) of the Act and following the decision of *Socoil Corporation Bhd. v. Ng Foo Chong & Anor.* [1981] 2 MLJ 7, all that the applicants need to show are

1. that they are the proprietors of a registered trade mark and
2. that some other person is infringing their registered trade mark in the course of trade.

There is no dispute on the first requirement and the only issue left to be determined was whether the respondent had infringed the applicants' trade mark.

Under s. 38(1) of the Trade Marks Act 1976, the offence of passing off is committed when the infringing party uses a trade mark identical with or closely resembling the registered trade mark of another person, as is likely to deceive or cause confusion. It is a question of fact in the light of evidence for the Court to reach a conclusion whether there is in truth a likelihood

of deception and confusion. It is the respondent's submission that its trade mark does not resemble the applicants' trade mark and for this relies on the comparison test for which 3 rules have to be adhered to.

1. The marks concerned must be considered as a whole as the true test on the totality of impression given both orally and visually is as to cause mistake, deception or confusion. *Re Bailey's Application* [1935] 52 RPC 136, *Broadhead's Application* [1950] 67 RPC 113 and *Saville Perfumery v. June Perfect* [1941] 58 RPC 149.
2. In comparing 2 trade marks, it must also be considered whether the marks suggest the same idea or lead to the goods being referred to by the same name.
3. Where words of 2 trade marks are compared, they must be judged by their looks and sound. In *re Application by Pianotist Company Ltd.* [1906] 23 RPC 774, *Kidax's* case [1959] RPC 295.

Comparing the 2 trade marks, there is no denying the fact that both marks bear the same colour and that is as far as the similarity goes. Different animals are used to signify the 2 trade marks and the designs of the flame on both trade marks are also different. The applicants' trade mark of 2 lions are in no way identical to the respondent's 2 dragons. The applicants' trade mark bears the words "Double Lion" whilst the respondent's trade mark the "Dragon City" which do not sound anywhere near to "Double Lion".

There were other facts disclosed in the respondent's affidavit which were not made known at the time the *ex parte* order was granted. They are:

1. that the respondent had been selling its goods openly for the past 5 to 6 years to over 500 dealers throughout Malaysia under the "Dragon City" trade mark. The respondent has exhibited the names and addresses of these 500 dealers.
2. out of these 500 dealers, about 230 of them had been dealing with the applicants' "Double Lion" products as well and have been selling the products of both the applicants and respondent side by side since 1982. Particulars of the 230 dealers dealing with the products of both parties are also exhibited.
3. there has not been any instance of confusion reported since the products of both parties had been sold side by side since 1982.
4. the respondent's brand of goods has been referred to by its Chinese customers as "2 Dragon Brand" whilst its Malay customers refer them as "Cap Naga".
5. in the case of the applicants' brand of goods, they have been referred to as " 2 Lion Brand" by their Chinese customers and "Cap Singa" by their Malay customers.

This clear division of brand alone, coupled with the fact that the products of both parties have been sold on the market alongside each other since 1982 negative any allegation of there being any infringement or that customers of the two products have been in any way confused, mistaken or deceived by the 2 trade marks.

On that finding I had allowed the respondent's motion to have the *ex parte* trade description order dated 11 May 1987 set aside with costs and that an enquiry be held as to the loss suffered by the respondent resulting from the enforcement of the order which shall be paid for by the applicants.

Also found at [1989] 2 CLJ 500